

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 TAR-02 PRS-01 PA-04 USIA-15 DRC-01

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P 012016Z JUL 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 7139

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E.O. 11652: N/A

TAGS: ETRD, AR

SUBJ: COUNTERVAILING DUTY PROCEEDINGS: ARGENTINE FOOTWEAR

RER: A. HILL/DAVIS (ARA/APU) TELCON JUN 29; B. BA 4775;

C. BA 3997; D. MEMCON MAY 31, 1974

1. THIS MESSAGE DEMONSTRATES SENSITIVITY GOA OFFICIALS CONCERNING SUBJECT AND INDICATES DELICACY WITH WHICH DISCUSSIONS ON ISSUE MUST BE TREATED IN INTEREST AVOIDING INCIDENT DAMAGING TO OVERALL BILATERAL RELATIONS.

2. AFTER CLOSE OF BUSINESS JUNE 28 ECON COUNSELOR RECEIVED TELEPHONE CALL AT HOME FROM UNDERSECRETARY FOR INTERNATIONAL ECONOMIC NEGOTIATIONS (SECRETARIAT FOR FOREIGN COMMERCE, MIN OF ECON), AMB FERNANDO LIERENA, WHO STATED HE HAD BEEN SPEAKING ON TELEPHONE WITH AMB ORFILA AND TOGETHER WITH SECRETARY TETTAMANTI HE WAS MUCH DISTURBED BY ORFILAS REPORT THAT TREASURY FELT TEAM SENT TO BA LATE MAY HAD BEEN "BADLY" TREATED. LERENA WENT ON THAT HE WAS CHECKING WITH COUNSELOR BECAUSE HE UNDERSTOOD ELSBERND WAS PRESENT AT MEETING

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BETWEENIRVIN, KANE AND MIN MELERO WITH HIS ASSISTANTS.

FOLLOWING DISCUSSION IT WAS CLEAR THAT LERENA UNDERSTOOD ORFILA WAS REPORTING THAT TREASURY OFFICIALS FELT THEIR REPS HAD BEEN TREATED DISCOURTEIOUSLY. LERENA ADMITTED HE HAD PREVIOUSLY UNDERSTOOD AND STILL UNDERSTANDS THAT US TREASURY OFFICIALS FELT THAT THEY HAD BEEN MISLED IN THAT THEY HAD UNDERSTOOD BEFORE DISPATCHING TEAM TO BA, THAT GOA HAD BOTH ACCEPTED VISIT OF TEAM AND INDICATED ITS READINESS PROVIDE SUCH A TEAM WITH DATA CONSISTENT WITH ITS FACT FINDING MISSION. LERENA STATED THAT INCIDENT HAD BEEN MOST UNFORTUNATE AND HINTED THAT RESPONSIBILITY LAY WITH SUBORDINATES OF AMB ORFILA BECAUSE GOA OFFICIALS IN BA HAD MADE CLEAR IN MAY THAT THEY WERE WILLING TO DISCUSS PROBLEM OF POSSIBLE COUNTERVAILING DUTY THREAT ONLY FROM POLICY STANDPOINT.

3. LERENA ASKED ECON COUNSELOR FOR HIS VIEW ON WHETHER TREASURY TEAM WAS TREATED DISCOURTEIOUSLY. ECON COUNSELOR ANSWERED IN NEGATIVE BECAUSE IRVIN AND KANE PLUS FROM EMBASSY ELSBERND AND GOWEN, WERE RECEIVED RELATIVELY PROMPTLY IN SECRETARIAT OF FOREIGN COMMERCE ON MAY 29. ARGENTINE TEAM PERMITTED IRVIN TO MAKE FULL PRESENTATION DESIRED WITHOUT INTERRUPTIONS, EXCEPT FOR EXPLANATIONS OF MEANINGS, OR CONTRADICTIONS. AS PREVIOUSLY REPORTED IN REF C AND D, MELERO THEN MADE HIS OWN PRESENTATION WHICH WAS DIRECT AND FRANK BUT CONTAINED LESS ABUSIVE LANGUAGE CONCERNING US IN PARTICULAR OR DEVELOPED COUNTRIES IN GENERAL THAN US REPS NORMALLY HEAR AT MANY INTERNATIONAL CONFERENCES WHERE LDC COMPLAINTS AGAINST DEVELOPED COUNTRIES POLICES ARE VOICED. LERENA STATED HE WAS PLEASED TO HEAR THIS AND ASKED SPECIFICALLY THAT ECON COUNSELOR REPORT TO WASHINGTON ALONG THESE LINES ON JULY 1 IF POSSIBLE.

4. WE ARE AWARE FROM REF A THAT ANOTHER OF TETTAMANTIS PRINCIPAL DEPUTIES UNDERSECRETARY FOR FOREIGN COMMERCE LEONARDO VARTALITIS, ISSCHEDULED TO TRAVEL TO WASHINGTON ON JULY 3 FOR CONFERENCE WITH TREASURY ON SUBJECT. WE WONDER IF LERENAS APPROACH MAY HAVE BEEN TO SAVE VARTALITIES SOME HARSH WORDS.

4. EMBASSY REQUESTS THAT DEPARTMENT AND TREASURY TAKE APPROPRIATE STEPS TO CLARIFY ANY POSSIBLE MISUNDERSTANDING LIMITED OFFICIAL USE

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WITH AMB ORFIL AND HIS PRINCIPAL DEPUTIES CONCERNING USG VIEW OF HOW TREASURY TEAM WAS TREATED DURING VISIT TO BUENOS AIRES.  
HILL

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## Message Attributes

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